



State of Arizona

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Governor Brewer Signs Tax Reform Legislation to Attract Business, Bolster Economic Competitiveness

SB1413 provides energy tax savings for Arizona manufacturing

PHOENIX – In keeping with her ongoing mission to make Arizona the most pro-business state in the nation, Governor Jan Brewer today signed into law SB 1413, which eliminates the state's Transaction Privilege Tax (sales tax) on energy sold to manufacturers. This significant tax reform measure will help attract manufacturers to the state and advance Arizona's global competitive edge. The governor made passing this legislation a cornerstone priority her 2014 State of the State address in January.

"In the past five years, we have worked relentlessly to position Arizona as a premier location in which to start or grow a business – and we've been successful because we've listened to what companies want and need to thrive," said Governor Brewer. "Due to several critical reforms – including last year's measure to simplify our sales tax code – Arizona is now consistently regarded as one of the ten best states in the nation in terms of economic development and competitiveness.

"Until today, Arizona has still been one of only a few states to impose a sales tax on businesses for energy they use to manufacture products – and that's put us at a disadvantage with other states. Signing SB 1413 affirms our message that Arizona is open for business."

The cost of energy is a key factor businesses consider when determining where to locate. As a champion of business growth and job creation, Governor Brewer has long called for the Legislature to support efforts that boost Arizona's competitiveness, particularly in technology and manufacturing sectors, which bring high-paying jobs to the state. SB 1413 does exactly that by making all manufacturers, regardless of size, eligible for the energy sales tax exemption.

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